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INFO RUEHZL/EUROPEAN POLITICAL COLLECTIVE PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RHEHNSC/NSC WASHDC PRIORITY
RHEHAAA/WHITE HOUSE WASHDC PRIORITY

C O N F I D E N T I A L SECTION 01 OF 02 MOSCOW 000228 SIPDIS STATE FOR EUR/RUS, EEB TREASURY FOR TORGERSON/WRIGHT NSC FOR MCFAUL WHITE HOUSE

TAGS: [EINV](#) [ETRD](#) [RS](#)

SUBJECT: RUSSIAN DRAFT BILL WOULD REQUIRE ON-SHORE CREDIT CARD PROCESSING REF: MOSCOW 00079 Classified By: ECONMINCOUNS Matthias Mitman for F

1.(C) SUMMARY: The latest version of the Russian draft law "On the National Payment System" contains several provisions that would disadvantage

2.(C) On January 27, the Russian newspaper Kommersant reported that it had received a copy of the "final" version of the draft legislation "On To Join or Not To Join -----

3.(C) According to Visa's XXXX, the latest version follows the "China model" of payment card systems. The law would set up a National Payment

4.(C) While joining the NPCS would be optional for both banks and international payment card companies, membership has its privileges. If Vi ON-SHORE PAYMENT PROCESSING REQUIRED -----

5.(C) In the proposed draft of the law, if international payment card companies choose not to join the NPCS, they will have to set up on-shore

6.(C) According to XXXX, MinFin understands that this MOSCOW 00000228 002 OF 002 would entail so much expense and difficulty for Visa and STATE EMPLOYEES ALL GET NPCS CARDS -----

7.(C) The current draft of the law would require all stated-owned enterprises and all state employees to be issued NPCS cards and to receive t COMMENT -----

8.(C) This draft law continues to disadvantage U.S. payment card market leaders Visa and MasterCard, whether they join the National Payment Ca